



January 22, 2014

Michael Gelder
Senior Health Policy Advisor to the Governor
Office of Governor Pat Quinn
James R. Thompson Center, 16th Floor
Chicago, IL 60601

Transmitted via email: info@HMPRG.org

RE: The Path to Transformation- Draft 1115 Waiver for Illinois Medicaid

Dear Mr. Gelder:

WellCare Health Plans ("WellCare") is pleased to submit the enclosed comments in response to the draft Path to Transformation 1115 waiver. We appreciate the opportunity to collaborate with the State as it moves to develop and implement this comprehensive waiver in conjunction with the Center for Medicare and Medicaid Services (CMS). We look forward to our continued work with the state on improving the quality of care to all residents.

WellCare is one of the three Medicaid managed care plans in Illinois's Voluntary Managed Care program. We serve more than 168,000 members in 13 urban and rural counties. We employ over 200 people in Illinois, generating a direct economic impact to the state of approximately \$19.5 million annually. WellCare is committed to improving the lives of Illinois' Medicaid, Children's Health Insurance Program (CHIP) and Medicare beneficiaries and deeply appreciate the partnership that we have with the state especially with the Department of Health and Family Services.

Nationally, WellCare is one of the country's largest health care companies dedicated solely to serving public program beneficiaries. We currently serve over two million enrollees nationwide and offer a variety of products including Part D prescription drug, Medicare Advantage, Medicare Prescription Drug, Medicaid, and CHIP plans for families, children, and the aged, blind, and disabled. WellCare's mission is to be the leader in government sponsored health care programs in partnership with enrollees, providers, and the government agencies we serve. This mission drives our business and we design our products and support services in accordance with that mission. We have a long-standing commitment to our federal and state partners to deliver value, access, quality, cost savings, and budget predictability. It is from this vantage point that we offer these comments.

Comprehensive Nature of Waiver

The State of Illinois Medicaid is in a remarkable reform period. The Path to Transformation comprehensive waiver offers a vision of Illinois' Medicaid program that ties together all of the disparate aspects of the state's current program.. In order to ensure that all stakeholders remain on the same page, we encourage the state to provide a more detailed explanation of how the state's other innovation-related programs intersect with this waiver. This includes the State Innovation Model grant, the Balancing Incentive Program, and the Duals Alignment Demonstration. Specifically, how will reimbursements, cost methodologies, and budget allocations work between the waiver and those programs? Additionally, how do these other programs impact the budget neutrality of the Path to Transformation 1115 Waiver? We would appreciate a crosswalk laying out the various programs and how they intersect.



Delivery System Reform Incentive Program (DSRIP)

WellCare supports the implementation of the Delivery System Reform Incentive Program (DSRIP) for hospital systems in the State that provide vital services to the most vulnerable and uninsured. The projects outlined in the draft waiver promote the creation of a more efficient healthcare delivery system and endorse care coordination activities that will help enhance access and quality of care. The draft waiver does not provide details as to how the DSRIP will be operationalized. It would be important for us to have a detailed understanding of how the DSRIP will impact or coordinate with the other funding layers such as the upper payment limit program and disproportionate share payment program. We request that the state release complete details on the DSRIP funding strategy.

Costs Not Otherwise Allowable

The draft waiver outlines several benefits and services that are available to be used for Federal matching funds including a new provider specific tax on home and community based services providers. We encourage the state to provide a more detailed account of how the funds generated by these matching allowances will factor into the waiver initiatives, including how those funds will help enhance the utilization of managed care. The draft also implied that there were more benefits and services that would be added to this list. It would be helpful if a full list was provided to stakeholders when readily available to allow for proper analysis.

In regards to the provider specific tax on HCBS providers, it is essential to know the full impact of the funds generated, and to have a contingency plan in place should CMS not approve this new funding stream, especially if the state is basing many of the enhanced services and benefits in this waiver on the funds generated by this new tax.

HMO Tax Proposal

The department proposes to remove Medicaid HMOs from the HMO tax exemption. Ideally, any additional dollars generated from a new matching revenue source would also be used to support expanded services in the managed care area. However, more information about the proposed financing is needed before we can appropriately comment on the concept.

Evaluation Methodology

The draft waiver provides a very broad evaluation outline and proposes to submit a specific design at a future time. We encourage the state to provide a draft of this plan to stakeholders for feedback prior to submission. We also encourage the state to use the core set of quality measures that has been issued for adults in Medicaid by the Centers for Medicaid and Medicare Services (CMS) as these have been vetted and approved in conjunction with the Agency for Healthcare Research and Quality (AHRQ).

Conclusion

WellCare believes in the integrated care system that the State of Illinois is trying to create through the Path to Transformation waiver. We know through our own experience that this approach will result in tangible savings for both the state and federal governments that can be reinvested in innovative ideas that bolster the effectiveness of the health care system overall. The State of Illinois



has the advantage of having the relationships and knowledge to build a solid integrated system upon its already thriving Voluntary Managed Care Program. Through this program, the State has seen MCOs, including WellCare, offer cost effective, health care on an integrated, patient centered platform. The ideas outlined in this waiver continue this trend. We applaud the State's efforts in this regard and look forward to a continued partnership that will only enhance the waiver's implementation.

Thank you for the opportunity to provide feedback on the Draft 1115 Path to Transformation waiver. If your staff would like further detail on any of our recommendations, please feel free to contact me at 312-516-4912.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. Hilliard, Jr.", written in a cursive style.

Dr. Robert Hilliard, Jr.
State President, Harmony Health Plan, A WellCare Company